GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2920
ANSWERED ON:15.03.2001
CESS ON CRUDE OIL
PRABHUNATH SINGH;RAMJI MANJHI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government had levied cess on crude oil in 1989 to create a fund for development of oil sector;

(b) if so, the amount collected therefrom;

(c) the manner in which that sum was utilised;

(d) whether the CAG has commented upon this in their report No.2 of 2000 -Transaction Audit Observations - Union Government (Civil); and

(e) if so, the reaction of the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLUEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (e) : Government has been levying cess on crude oil from 1974 onwards and the total amount of cess collected till March, 2000 is Rs.36,011 crores(approx.) after deducting collection charges out of which Rs.902 crores has so far been given to OIDB by the Central Government. The proceeds of the cess are utilised for development of `Oil Industry` which includes Petroleum & Natural Gas, Chemicals & Petro-Chemicals and Fertiliser sectors, as provided under the Oil Industry Development Act. The expenditure incurred on the Ministries/Departments of Petroleum & Natural Gas, Chemicals & Petro-Chemicals and Fertilisers since 1974-75 exceeds the total amount of cess collected so far. The comments of CAG on the above has also been reflected in Report No.2 of 2000 - Union Government (Civil) -Transaction of Audit Observations. An Action Taken Note has already been sent on Audit Observations.